

Reps. Childers and Kratovil Introduce Tax Credit Extension for Homebuyers

Legislation will promote growth, stability in housing market

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Washington, DC – Reps. Travis Childers (D-MS) and Frank Kratovil (D-MD) have introduced important legislation to help families buy and sell homes and spur growth and stability in the American housing market. The Tax Credit Extension for Homebuyers with a Loss Deduction Incentive Act (H.R. 3640) will extend for one year the \$8,000 home-buyer tax credit, expand the credit to all homebuyers purchasing a principal residence, and provide relief for individuals or families who are forced to sell their home at a loss.

This legislation is supported by the National Association of Realtors.

“As a veteran realtor for over 30 years, I have seen firsthand the ups and downs associated with the housing market. Recent signs of recovery in the market are certainly encouraging, but we must follow through and sustain the progress linked to the initial benefits of the homebuyer tax credit,” said Rep. Childers. “H.R. 3640 will allow more American families to take advantage of this tax credit, provide an incentive for people to sell homes that are currently preventing the housing market from stabilizing, and help further revive the industry. I am proud to join with Rep. Kratovil to introduce this important and timely legislation.”

“Realtors and home buyers alike are reporting that the first-time home buyer tax credit is working to revitalize the housing industry. In this economy it would be foolish to allow something that is working to simply expire,” said Rep. Kratovil. “Instead we need to extend this tax credit so that more first-time buyers have an opportunity to enter the market, but also expand the credit so that all Americans are able to buy a home and give the entire economy a shot in the arm.”

“This bill adds to the growing groundswell of support in the U.S. House of Representatives for extending and enhancing the Homebuyer Tax Credit,” said National Association of Realtors President Charles McMillan. “The National Association of Realtors estimates that 350,000 additional home sales will take place as a result of the current tax credit. Stability in the housing market will help the nation's economic recovery. We applaud the efforts of Reps. Frank Kratovil and Travis Childers for showing leadership on this important issue.”

The loss deduction provided by H.R. 3640 will be carried over a three year period and is worth up to \$4,000 on an annual basis (\$12,000 over a three year period). This provision is directly correlated to what is offered on capital assets to Americans who suffer a loss within a given year.

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